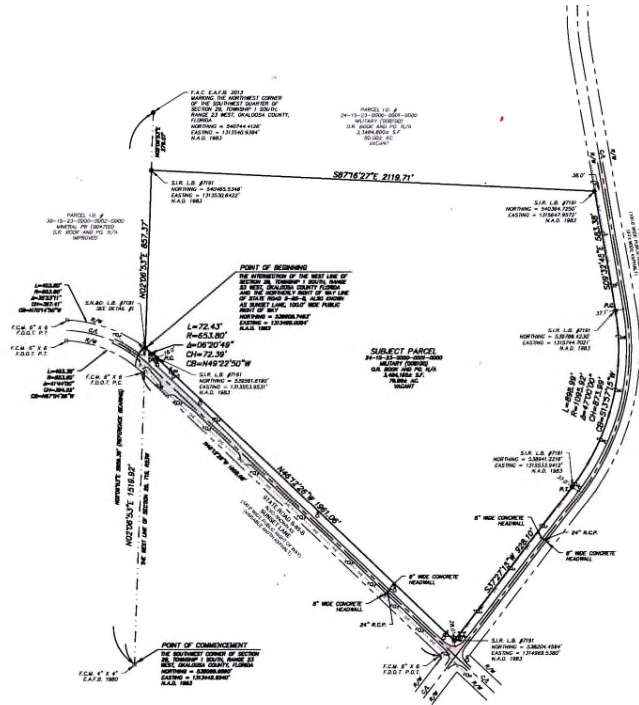


APPRAISAL REPORT
OF
Vacant 79.99± Acre Site
(Air Force Enlisted Village)
Poquito Rd. & Sunset Ln.
Shalimar FL 32579



APPRAISAL FOR
Air Force Enlisted Village
(Mr. Brooke P. McLean)
92 Sunset Lane
Shalimar, FL 32579-1000



Teel, Bracewell & Schmitt
APPRAISAL DIVISION
499 N. Ferdon Boulevard
Crestview, Florida 32536
(850) 682-6156 (850) 243-5511 FAX (850) 682-3321

April 25, 2019

Client: Air Force Enlisted Village
(Mr. Brooke P. McLean)
92 Sunset Lane
Shalimar, FL 32579-1000

APPRAISER: Randy G. Bracewell, GRI
State-Certified General Real Estate
Appraiser RZ589

SUBJECT: 79.99± Acre (80-acre) vacant site adjoining
Poquito Rd & Sunset Ln, across the street from
Bob Hope Village, Shalimar, Florida

Mr. McLean:

As you requested, I have personally inspected the property referenced above and legally described in this report. The purpose of this appraisal is to provide an opinion of the present market value of this property, as of the effective date.

Market Value is defined as the most probable price that a property will bring in a competitive market under all conditions requisite to a fair sale, which would result from negotiations between a buyer and seller, each acting prudently, with knowledge, and without undue stimulus. This value assumes normal financing available in the market at the time of appraisal or its cash equivalent if no such financing is normal at the appraisal time. The property was appraised as a whole, owned in fee simple. This appraisal is subject to the limiting conditions and contingent conditions outlined in this report that you should specifically review.

The Air Force Enlisted Village my client in this appraisal assignment and it is understood they will use this report to assist them in making a financial decision regarding a possible purchase price for this property. No other use of this report by any other entity or person is authorized.

This APPRAISAL REPORT is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below.

The appraiser is not responsible for unauthorized use of this report.

The appraiser should report any extraordinary and hypothetical conditions assumptions which might affect the assignment results. The Uniform Standard of Professional Appraisal Practice states it is the responsibility of the appraiser in marking any extraordinary assumptions to prevent misunderstandings by users of the appraisal product.

The Extraordinary and hypothetical conditions assumptions are;

1. I assume no title problems and information from public records is correct. This appraiser was not furnished any title information.
2. The present value opinion is predicated upon the valuation of the "Fee Simple" interest, which the subject property clearly does not have. The property is owned by the U. S. government with rights and limitations which would affect value in the open market. These factors are to be ignored for the present time.
3. There are no extra special environmental and/or historical conditions which prevent development.
4. The subject property can be rezoned from a government use to a normal residential use.

It is my opinion that the present market value of this property, subject to special conditions extraordinary and hypothetical assumptions as of the effective date is:

Final Value Opinion

\$5,000,000

The exposure time linked to the opinion of market value is a range over 6 months based on market trends/sales of similar properties. The exposure period assumes and is subject to the property being aggressively marketed at/near market value by professionals.

The marketing period is estimated to be over 6 months.

The attached report reflects the method of valuation and basis upon which the value opinion was determined. Although appraising is not an exact science, this analysis represents our opinion of value as of the valuation date.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP). The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. Our employment was not conditioned upon producing a specific value or a value within a given range.

Respectfully,



Randy G. Bracewell
State Certified General Real Estate
Appraiser RZ589

EXECUTIVE SUMMARY

Property Type: Vacant acreage

Tax I. D. #: Portion of 24-1S-23-0000-0001-0000
(in Section 29)

Zoning/Future Land Use: None, MU-Mixed Use desired

Building: None

Location: Poquito Rd & Sunset Ln adjoining Eglin Air
Force Base.

Effective Date of Value: April 17, 2019

Date of Report: April 25, 2019

Property Rights Appraised: Fee Simple (subject to extraordinary assumptions)

Land Size: 79.99± Acres, based on survey furnished

Highest & Best Use: Current Use

Cost Approach: N/A

Income Approach: N/A

Market Approach: \$5,000,000

Estimated Marketing Period: Over 6 months

Final Value Opinion

FIVE MILLION DOLLARS
\$5,000,000

PHOTOGRAPHS

1. Street/front view.



2. Street view at corner.



3. Street/front view.



4. General Front/interior view.



5. General Front/street view.



6. General view at intersection.



7. Street/front view



8. View of interior/street.



9. View of interior.



10. View of interior/street.



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11. General view of interior.



12. View of interior.



PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to provide the appraiser's opinion of the market value of the subject real property as of the effective date. Market value is defined by the federal financial institutions regulatory agencies as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

INTENDED USE OF REPORT: This appraisal is intended to assist the client in making a financial decision regarding a possible purchase price for the subject property.

INTEREST VALUED: The subject is appraised as a fee simple estate. Fee simple estate - "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of the taxation, eminent domain, police power and escheat."

As stated earlier, the subject property is appraised as "Fee Simple" subject to the extraordinary and hypothetical conditions assumptions stated within this report.

EXTRAORDINARY AND HYPOTHETICAL ASSUMPTIONS:

1. I assume no title problems and information from public records is correct. This appraiser was not furnished any title information.
2. The present value opinion is predicated upon the valuation of the "Fee Simple" interest, which the subject property clearly does not have. The property is owned by the U. S. government with rights and limitations which would affect value in the open market. These factors are to be ignored for the present time.
3. There are no extra special environmental and/or historical conditions which prevent development.
4. The subject property can be rezoned from a government use to a normal Mixed Us/residential use.

EFFECTIVE DATE OF VALUE: The effective date of value is April 17, 2019 the date of inspection.

PROPERTY HISTORY: A review of public record report and other sources suggest no transaction affecting the subject property over the past three years.

The U.S. Government has owned this land over the past fifty+ years. The Eglin reservation was originally the Choctawhatchee National Forest before being transferred to the Army/Air Force.

PRIOR ASSIGNMENT DISCLOSURE: This appraiser has not had a prior association and/or work history with this property over the past three years.

ZONING: The property is subject to regulations and administration by the U. S. Government and the Okaloosa County Department of Land Development. The property is currently zoned/land use of FR or federal reservation. This is a government oriented use in the county. The property would have to be rezoned if ever sold to a non-government buyer.

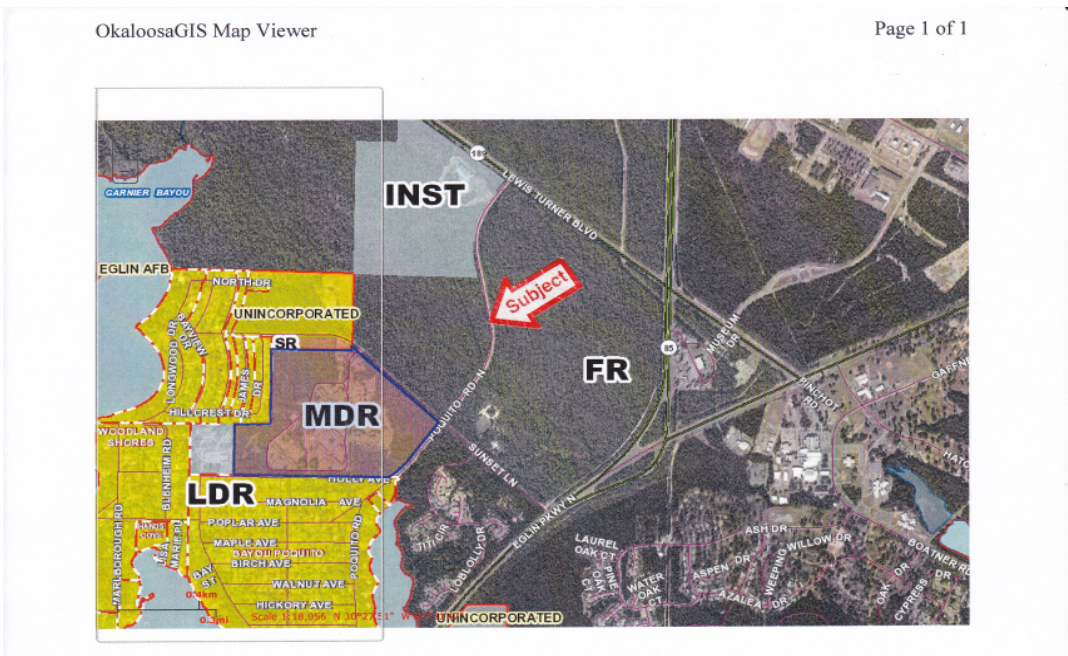
A copy of the current zoning and Future land use are enclosed on the following page. It appears the property adjoins both R-1 and R-2. It appears possible for both and/or a single classification could be obtained. The adjoining AFEV property has an R-2/MDR classification.

The client/Air Force Enlisted Village proposes an M/U (Mixed Use) classification, which is also considered possible.

ZONING MAP



FUTURE LAND USE MAP



LEGAL DESCRIPTION

LEGAL DESCRIPTION

(AS SURVEYED)

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 29, TOWNSHIP 1 SOUTH, RANGE 23 WEST, OKALOOSA COUNTY, FLORIDA. THENCE RUN NORTH 02 DEGREES 06 MINUTES 53 SECONDS EAST ALONG THE WEST LINE OF SAID SECTION 29, A DISTANCE OF 1,519.92 FEET TO THE POINT OF INTERSECTION WITH THE NORTHERLY RIGHT OF WAY LINE OF STATE ROAD S-85-B, ALSO KNOWN AS SUNSET LANE, 100.0 FOOT WIDE PUBLIC RIGHT OF WAY, AND THE POINT OF BEGINNING. THENCE RUN NORTH 02 DEGREES 06 MINUTES 53 SECONDS EAST, ALONG THE WEST LINE OF SAID SECTION 29, A DISTANCE OF 857.37 FEET. THENCE DEPARTING THE WEST LINE OF SAID SECTION 29, RUN SOUTH 87 DEGREES 16 MINUTES 27 SECONDS EAST, A DISTANCE OF 2,119.71 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF POQUITO ROAD, 100.0 FOOT WIDE PUBLIC RIGHT OF WAY. THENCE RUN SOUTH 09 DEGREES 32 MINUTES 45 SECONDS EAST ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 583.38 TO A POINT OF CURVATURE. THENCE GO ALONG SAID CURVED WESTERLY RIGHT OF WAY LINE TO THE RIGHT HAVING A RADIUS OF 1,095.92 FEET, AN ARC DISTANCE OF 898.99 FEET (DELTA = 47 DEGREES 00 MINUTES 00 SECONDS, CHORD = 873.99 FEET, CHORD BEARING = SOUTH 13 DEGREES 57 MINUTES 15 SECONDS WEST) TO A POINT OF TANGENCY. THENCE RUN SOUTH 37 DEGREES 27 MINUTES 15 SECONDS WEST ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 928.10 FEET TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT OF WAY LINE OF SAID STATE ROAD S-85-B, ALSO KNOWN AS SUNSET LANE. THENCE DEPARTING THE WESTERLY RIGHT OF WAY LINE OF SAID POQUITO ROAD RUN NORTH 46 DEGREES 12 MINUTES 26 SECONDS WEST ALONG THE NORTHERLY RIGHT OF WAY OF SAID STATE ROAD S-85-B, ALSO KNOWN AS SUNSET LANE, A DISTANCE OF 1,961.06 FEET TO A POINT OF CURVATURE. THENCE GO ALONG SAID CURVED NORTHERLY RIGHT OF WAY LINE TO THE LEFT HAVING A RADIUS OF 653.80 FEET, AN ARC DISTANCE OF 72.43 FEET (DELTA = 06 DEGREES 20 MINUTES 49 SECONDS, CHORD = 72.39 FEET, CHORD BEARING = NORTH 49 DEGREES 22 MINUTES 50 SECONDS WEST) TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL CONTAINS 79.99 ACRES, MORE OR LESS.

TAX IDENTIFICATION

2018 Assessed Value

\$259,387,620*

2018 Assessed Taxes

None Assessed

Tax I. D. # 24-1S-23-0000-0001-0000

- Assessed value is for the all sections 24 to 29 inclusive not just the subject property.

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TAX ASSESSMENT MAP



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TAX CARD DATA

Okaloosa County Property Appraiser's Web Site

Page 1 of 1



Sales In Area	Previous Parcel	Next Parcel	Field Definitions	Return to Main Search	Okaloosa Home
Owner and Parcel Information					
Owner Name	U S GOVT		Today's Date	April 18, 2019	
Mailing Address	, 00000-0000		Parcel Number	24-1S-23-0000-0001-0000	
Location Address	. SHALIMAR		Tax District	COUNTY (District 1)	
Property Usage	MILITARY (008100)		2018 Millage Rates	10.5246	
Section Township Range	24-1S-23		Acreage	3876.64	
Business Name			Homestead	N	

[Show Parcel Maps](#)

Value Information			Legal Information
	2017 Certified Values	2018 Certified Values	
Building Value	\$1,883,286	\$1,868,375	
Extra Feature Value	\$250,153,629	\$250,153,629	
Land Value	\$7,365,616	\$7,365,616	
Land Agricultural Value	\$0	\$0	
Agricultural (Market) Value	\$0	\$0	
Just (Market) Value*	\$259,402,531	\$259,387,620	
Assessed Value	\$259,402,531	\$259,387,620	
Exempt Value	\$259,402,531	\$259,387,620	
Taxable Value	\$0	\$0	
*Just (Market) Value" description - This is the value established by the Property Appraiser for ad valorem purposes. This value does not represent anticipated selling price.			
Tax Information			
			ALL SECTIONS 24 TO 29 INC
			The legal description shown here may be condensed for assessment purposes. Exact description should be obtained from the recorded deed.

Building Information						
Type	Total Area	Heated Area	Exterior Wall	Roof Cover	Interior Wall	Flooring
STATE	49,294	46,456	BRICK / WD/BLK DRS	COMM METAL	MINIMUM / DRYWL/PLAS	VINYL TILE / CARPET
Heating Type	A/C Type	Baths	Bedrooms	Stories	Actual Year Built	Effective Year Built
AIR DUCTED	ROOF TOP	0	0	1	1995	1995
Show Building Sketch						

Extra Features Data				
Description	Number of Items	Unit Length x Width x Height	Units	Effective Year Built
US GOVT	1	0 x 0 x 0	100 UT	1960
ASPHALT C	1	0 x 0 x 0	81,960 SF	1995
WALKWAY C	1	0 x 0 x 0	15,821 SF	1995
SPRINKLER C	1	0 x 0 x 0	48,496 SF	1995

Land Information				
LAND USE	NUMBER OF UNITS	UNIT TYPE	Frontage	Depth
MILITARY	3876.64	AC	0	0

Sale Information								
Multi-Parcel Sale	Sale Date	Sale Price	Instrument	Deed Book	Deed Page	Sale Qualification	Vacant or Improved	Grantor / Grantee
No	01-01-1977	\$ 250,441,600	PREVIOUS VALUE	Q	Q	Unqualified	Vacant	U S GOVT

[Sales In Area](#) [Previous Parcel](#) [Next Parcel](#) [Field Definitions](#) [Return to Main Search](#) [Okaloosa Home](#)

The Okaloosa County Property Appraiser's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The Senior Exemption Does Not Apply to All Taxing Authorities. Just (Market) Value is established by the Property Appraiser for ad valorem tax purposes. It does not represent anticipated selling price. Working values are subject to change. Website Updated: March 12, 2019

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http://qpublic6.qpublic.net/qp6/fl_display_dw.php?county=fl_okaloosa&KEY=24-1S-23-0... 4/18/2019

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APPRAISAL DEVELOPMENT AND REPORTING PROCESS: In preparing this appraisal, we relied on one of the three approaches in formulating an overall value. To develop the opinion of value, we performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This means that no departures from Standard 1 were involved.

SCOPE OF THE APPRAISAL: The term “scope of the appraisal” is defined as the extent of the process of collecting, confirming and reporting data. The selection of the data reported is limited to that data which the appraiser considers relevant to the assignment, given the purpose and intended use of the appraisal. Considering also the property type, size, complexity, its highest and best use, and other matters, the appraiser performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice (USPAP), which is reported in a summary format.

Steps involved and information sources used in the preparation of the report are:

Inspected the subject property and made photographs on April 17, 2019. No assistance was needed in the inspection process.

The Extraordinary and hypothetical assumptions are;

1. I assume no title problems and information from public records is correct. This appraiser was not furnished any title information.
2. The present value opinion is predicated upon the valuation of the “Fee Simple” interest, which the subject property clearly does not have. The property is owned by the U. S. government with rights and limitations which would affect value in the open market. These factors are to be ignored for the present time.
3. The subject property can be rezoned from a government use to a normal combination residential and/or commercial use.
4. Gathered and confirmed information on comparable land sales. Market sales were obtained from the general south county market area
5. Applied the sales comparison approach to arrive at a value opinion;
6. Considered the Income approach, but deemed this approach non-appropriate per agreement with the client.
7. Considered the Cost approach, but deemed this approach non-appropriate due to subject being valued as vacant land only.
8. Per agreement with the client, only the sales comparison approach was deemed appropriate. After assembling and analyzing the data, a final opinion of Market Value was made.

MARKETING TIME

The reasonable marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the opinion of market value level during the period immediately after the effective date of the appraisal. The reasonable marketing time is a function of price, time, use and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone. Marketing time, which occurs after the effective date of the market value opinion, differs from exposure time, which is always presumed to precede the effective date of an appraisal.

The marketing period for the subject property is estimated to be over 6 months.

EXPOSURE TIME

When estimating market value, the appraiser should be specific as to the estimate of exposure time linked to the value opinion. Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal. Exposure time may be defined as follows:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market.

Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. This statement focuses on the time component. The fact that exposure time is always presumed to occur prior to the effective date of the appraisal is substantiated by related facts in the appraisal process: supply/demand conditions as of the effective date of the appraisal; the use of current cost information; the analysis of historical sales information (sold after exposure and after completion of negotiations between seller and buyer); and the analysis of future income expectancy estimated from the effective date of the appraisal.

The exposure time for the subject property is estimated to be over 6 months.

MARKET AREA ANALYSIS (FORMERLY NEIGHBORHOOD ANALYSIS)

The general neighborhood is that portion of the Eglin Air Base Reservation, situated between the City of Valparaiso to the east, Fort Walton Beach to the West, Choctawhatchee Bay to the South and Highway 85 to the North. Eglin Air Force Base occupies more than 470,000-acres and spans into three counties. Eglin Air Force Base is located on Choctawhatchee Bay and adjoins the subject property.

There are several other bases and fields scattered throughout the reservation including Hurlburt Field, Duke Field and Field 6, etc.

The majority of the reservation is comprised of planted pines, but also includes some of the best waterfront within the county. The reservation basically divides Okaloosa County into two distinct sections. North Okaloosa (Crestview) has become a bedroom community to Eglin and Fort Walton Beach. The large amount of available land and price has created a building boom for southern area of Crestview. The south county area is basically landlocked by the military reservation and several bodies of water (Gulf of Mexico, Choctawhatchee Bay). The land area south of the reservation is high density and high value.

The immediate neighborhood is basically the main base of Eglin Air Force Base. The city of Valparaiso is located 2 miles east and Shalimar/Fort Walton Beach is located 2.5± miles southwest of the subject property.

State Road 85 provides access to the neighborhood, a major four lane divided roadway. Additional access is provided by State Road 123 (cutoff Road), a two-lane roadway leading to and from State Road 85 and bypassing the Niceville/Valparaiso area.

This intersection was completely reconstructed with a flyover in 2012-13 time period per the Obama Stimulus movement. This new system provides easy access to the subject property but actual usable frontage for alternative development is limited due to overpass.

The immediate neighborhood is the Bayou Poquito area located along Grainer's Bayou. This is an older single family neighborhood located along the bayou and inland. The area is surrounded by the Eglin Reservation and shoreline (see maps).

The area has convenient access to Eglin AFB, the major employer for the area. The neighborhood also includes the Destin-Fort Walton Beach Airport facility. This is a major public facility located along Hwy. 85. Other public but limited commercial activity include the Air Force Museum and the University of Florida Engineering Center at the corner of Lewis Turner Blvd. & Poquito Rd.

The majority of the neighborhood is restricted in use to only military use by Eglin.

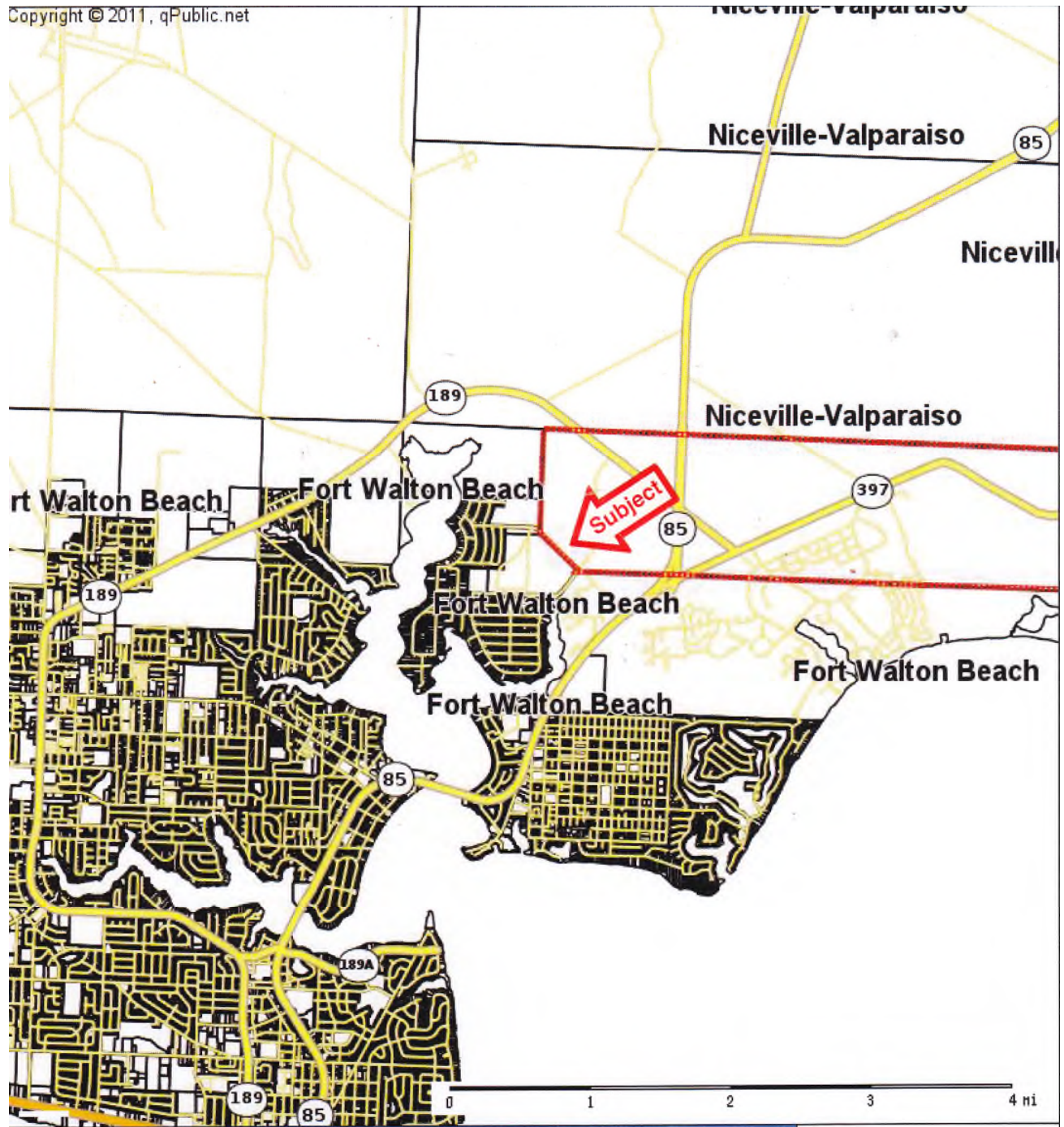
In summary, the general neighborhood should continue on its current pattern of limited growth and restricted use. The airport is also a government-operated facility, which uses the runways of Eglin.

AREA MAP



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NEIGHBORHOOD MAP



NEIGHBORHOOD AERIAL MAP



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SITE DISCUSSION

Shape & Dimensions: The subject site is an irregular shaped tract comprising 79.99 acres, more or less. The site extends from Poquito Road with additional frontage along Sunset Lane. A copy of a new survey is included within this report, which adequately reflects the overall dimensions of the site. A review of this site map is recommended.

Topography & Drainage: The site is basically flat, level ground that appears to contain no wetlands. The land composition is typical with other similar developed properties in the overall Valparaiso/Fort Walton Beach area. The site has a sandy soil content, which does not impede normal drainage.

The site is vacant land, therefore no further discussion will be made.

Street Improvement: As stated earlier, Poquito Road provides access to the neighborhood and leads to Lewis Turner Blvd. Highway 189 (Lewis Turner Blvd.) is a major four lane divided roadway. Additional access is provided by Sunset Lane, a two-lane roadway (see maps).

Utilities: It appears all public utilities are available to the site including electricity, sewer, telephone and natural gas.

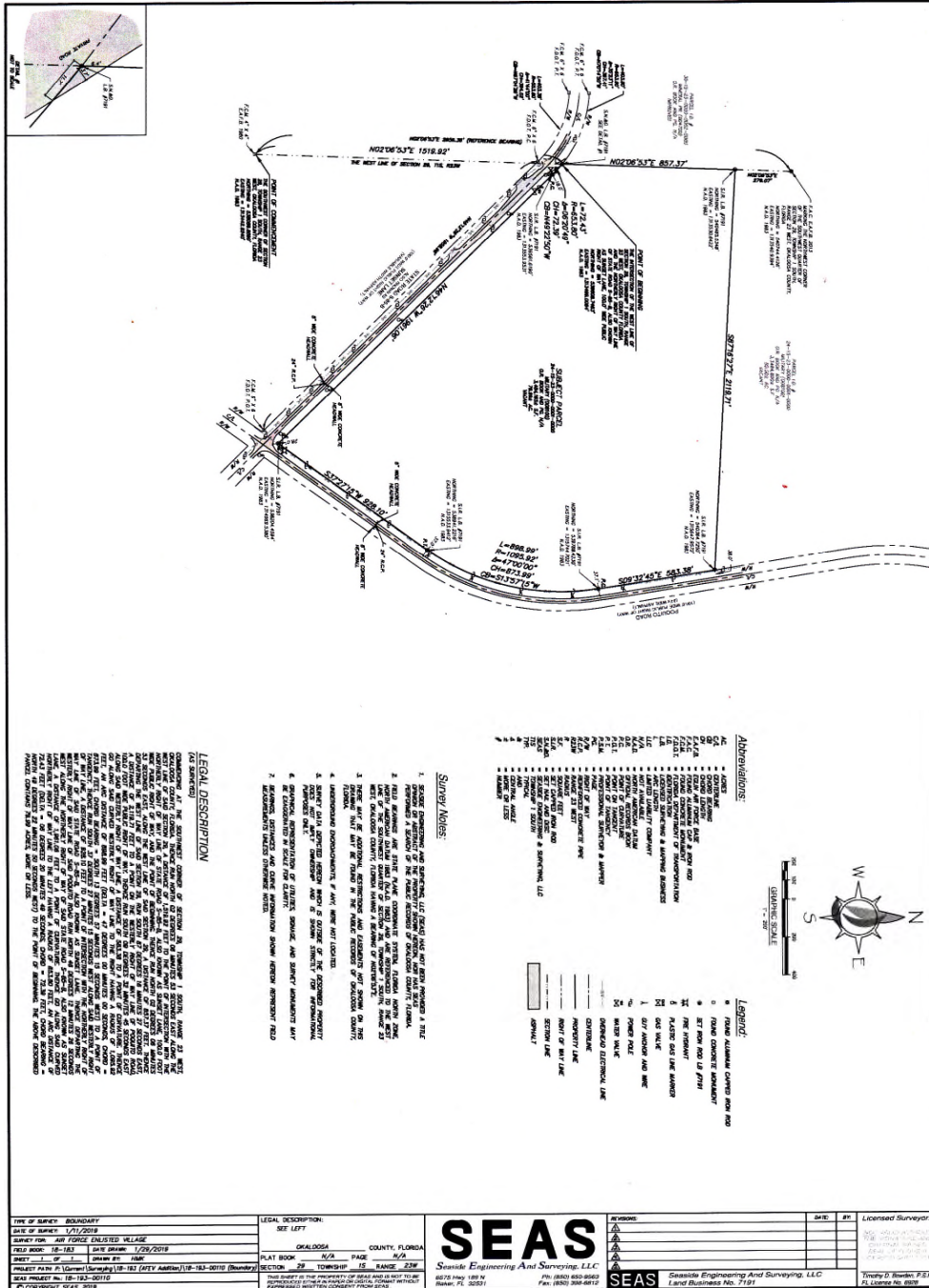
Encroachments: None noted, see survey

Flood Zone: After reviewing the F.E.M.A. Flood Map, it appears the site is not located within the special flood hazard area.

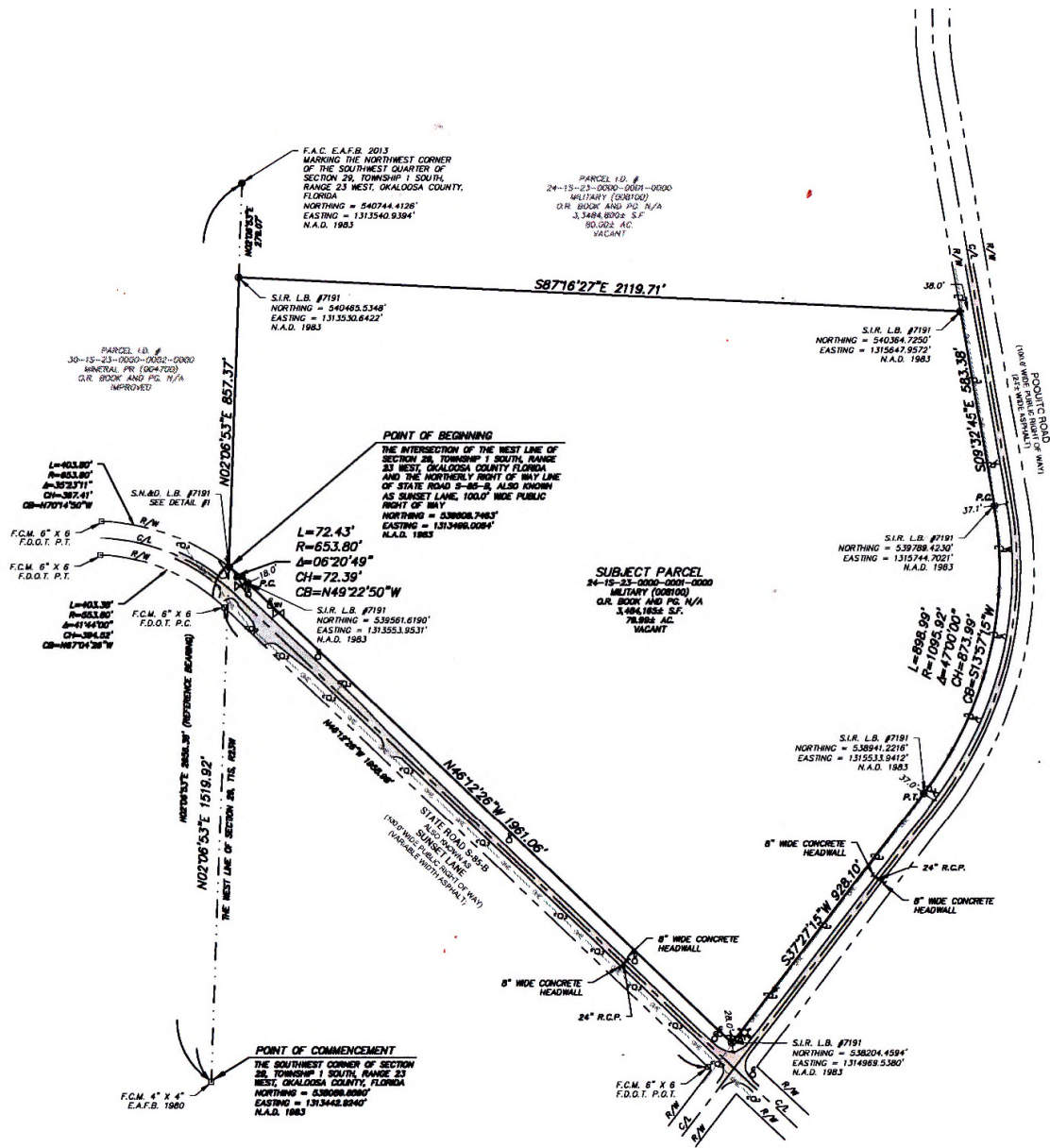
Census Tract: Census Tract number for the property is 208, Okaloosa County.

Additional information can be taken from the photographs and sketches included in this report.

SURVEY



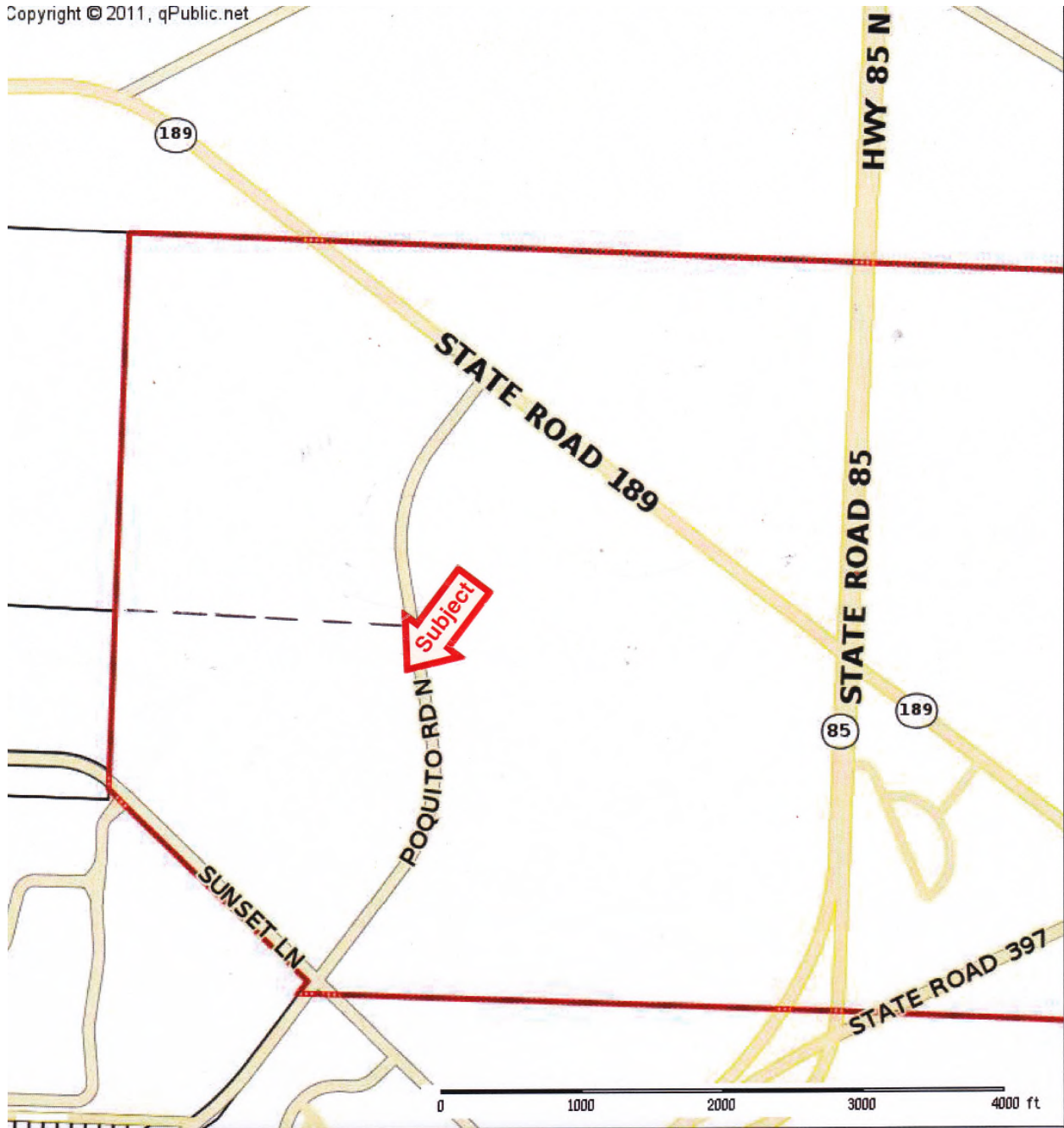
SURVEY



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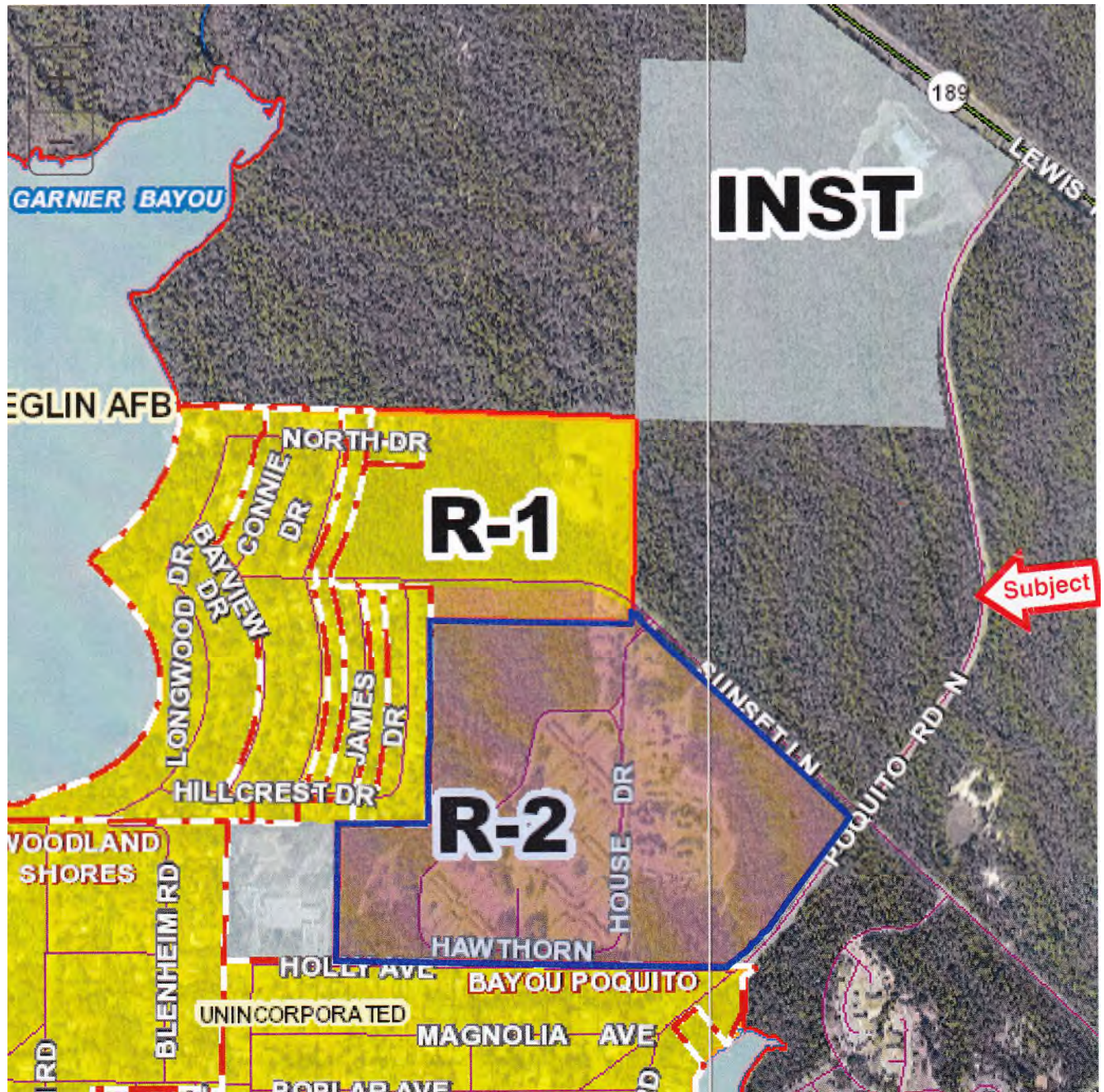
TAX ASSESSOR'S MAP

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Tax Assessor's Aerial Map



BUILDING DESCRIPTION: None.

HIGHEST AND BEST USE

Highest and best use is defined as “that use which at the time of the appraisal is the most probable likely use to which a property can be put”. It may also be defined as “that available use and program of future utilization which produces the highest land value”.

Highest and best use, or most probable use, is a critical part of any appraisal assignment. Highest and best use analysis considers analysis of the site and the improved property as a highest and best or most probable use at any given point in time. The highest and best use of the site may or may not be the same highest and best use as the improved property. The appraiser’s estimation of highest and best use is based upon property analysis that includes site and improvement analysis for that particular point in time. It should be highly probable that this use could occur and it should occur within a reasonable time period. It does not have to be the present use of either the site or the improved property. It is critical to understand that highest and best use can change over time and that is one of the reasons highest and best use or most probable use is estimated on the valuation date.

The rationale of highest and best use analysis basically considers the necessity for a property to create utility that is desirable in the market place. If the market demands this utility, it is said to have a market function. The market directed use of the site definitely affects the ultimate value of the site. In a typical appraisal assignment, the purpose of the appraisal is to provide an opinion of the market value. The market value is based upon the use of the entire property that would create the highest present value of the site.

In considering highest and best use, the appraiser analyzes or tests for highest and best use in four areas. The appraiser should review the legally permissible uses considering deed restrictions and covenants, the current zoning or any future zoning problems that could deter conversion to highest and best use. The possible physical uses that are legally permissible should then be reviewed. The third area is feasible or appropriate use as indicated by the market. The last test is the most profitable use or maximally productive use of the property.

Possible Physical Uses: The site is situated between Valparaiso and Fort Walton Beach, Florida. The site contains 131.1 acres more or less, which is ideally suited for many uses. The site has no apparent physical adverse condition, which would prohibit development. The only physical limitation is the overall size.

Legal or Permissible Uses: The Okaloosa County Department of Land Management does not zone Subject property at the present time. The U.S. government presently owns the property. If the property is released from the federal government, and into the private sector, the property must be submitted to the county for zoning. The landowner can request any zoning classification he may desire, but final approval is left to the board. General conditions, which help, determine zoning is the availability of water, and sewer, ingress/egress, and composition of the surrounding neighborhood (wetlands). Based on past trends, if a proposed use is not compatible to the existing neighborhood public outcry is very vocal, and a major factor affecting the zoning board members. The surrounding neighborhood land area is also not zoned or is labeled R-1, R-2 and INST (Eglin) by the county zoning office. The subject property would be considered a unique tract of land, if it were a private owned tract within the Eglin Reservation.

The definition of market value provides for the property to be a market sale, which is typically to a private, knowledgeable investor. The ownership would seek to obtain a zoning classification, which would permit the highest land value for the subject property, but within the present trend of the surrounding neighborhood.

Under current ownership the federal government can do anything on this property without approval from the county government. Under private ownership, the property would probably have a residential land use classification.

Under the extraordinary and hypothetical conditions of this report, the proposed use of M/U (Mixed Use) is considered viable.

Mixed Use is a combination residential and commercial use classification. Mr. McLean, President of the Air Force Enlisted Village indicated this is the desired use for the proposed subject property. This use provides for not only a residential use but also a commercial use (chapel, meeting hall, etc.) which supports the overall intent/activity.

Feasible or Appropriate Use as Indicated by the Market: The actions of the market are very limited. The best example of this limited market involves the Okaloosa County Fairgrounds and the City of Fort Walton Beach. The most recent action involves the recent 50-acre tract leased to Mr. Jay Odom for large scale development. These sales/lease agreements, adequately show the past history of the market.

The FWB fairground property fronted Lewis Turner Boulevard at the northern fringe of the general Fort Walton Beach area and was part of the Eglin reservation. The property was leased to the fair association several years ago for the site of the Okaloosa County Fairground. The property was declared surplus property and transferred back to the U.S. forestry Service for disposition. The forestry service appraised the property assuming the property could and would be rezoned to a residential use. A value of approximately \$4,000,000 was paid for this site in 2005.

The second situation involved the U.S. Government and Walton County. In 2002, Walton County purchased approximately 511-acres from the U.S. Government. This property was located at the intersection of Highway 90/Highway 285 and Interstate 10. The property was declared surplus property and transferred back to the U.S. forestry Service for disposition. The county purchased the property with the intent of constructing an industrial park due to the location at the interstate exchange and adjoining the CSX railroad. The county paid \$772,000 or \$1,500 p/acre for this site in a land exchange transaction.

The county sold several tracts to entice commercial development in this area for the county. A general summary is:

<u>Sale #</u>	<u>Sale Date</u>	<u>Buyer</u>	<u>Sale Price</u>	<u>Overall Size</u>	<u>\$/Acre</u>
1	06/2014	Brigman	\$231,400	11.57+-ac	\$20,000
2	09/2014	Southern Tire	\$140,000	7+- ac	\$20,000
3	09/2014	Empire Truck	\$200,000	10+- ac.	\$20,000
4	12/2013	Love's	\$450,000	15+-ac.	\$30,000
5	09/2014	Love's Motel	\$155,700	7.78+-ac.	\$20,000
6	06/2015	FedEx	\$495,000	25+-ac.	\$19,800
7	06/2015	Busby lease	\$ 30,000	1.5+-ac.	\$20,000

A third example involved the solar panel field outside of Valparaiso. This was a deal between the government and Gulf Power. A special deal (non-market) was given to each other. A true example of the market is not made by this agreement.

Each of the above properties is located on the outer fringe of the Eglin Reservation, adjoining private property and had the availability of public water and sewer (Fairgrounds, Valparaiso & Odom only).

The subject property is very similar to the FWB/Valparaiso agreements and the availability of public utilities. The subject property is very near to the main base of Eglin.

Most Probable Use or Program of Utilization which would produce the Highest Land Value: This appraiser has discussed several conditions and alternatives affecting the overall use and value of this property.

Under the extraordinary and hypothetical conditions, the highest and use is the proposed use. The sale/use by the Air Force Enlisted Village is considered basically the best use of this property.

SUMMARY OF ANALYSIS AND VALUATION APPROACHES TO DETERMINING VALUE

The three approaches to value used by the appraisal profession are the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach.

Cost Approach - This is a method in which the value of a property is derived by estimating the replacement cost of the improvements and deducting there from the accrued depreciation, and then adding the market value of the land, plus any entrepreneurial profit. Cost factors used in this approach were taken from our knowledge of local building costs, actual construction bids, when available, and data published by the Marshall Valuation Service, a nationally recognized authority for many years in the field of cost analysis. This approach is based upon the assumption that the replacement cost normally sets the upper limit of value, providing that the improvements represent the highest and best use of the land.

Sales Comparison Approach - This is an appraisal technique in which the market value opinion is based upon prices paid in actual market transactions and current listings. It is a process of correlation and analysis of similar recently sold properties. The reliability of this technique is dependent upon: 1) The degree of comparability of each property with the property being appraised, 2) The time of sale, 3) The verification of sales data, and 4) The absence of unusual conditions affecting the sale.

Income Approach - The value of an income producing property can be determined by dividing its net operating income by an overall capitalization rate. The rate must be sufficient to provide a return of and on the investment while compensating risk and non-liquidity. Net operating income is the income remaining after deducting a vacancy allowance and operating expenses. (For appraisal purposes, debt service is not an expense item.)

The first step in the application of this method is to estimate the market rents that the property is capable of producing. Vacancy and credit losses are then deducted to arrive at the Effective Gross Income. Expenses are then estimated and deducted from the effective gross income and the resulting net operating income is capitalized by an overall rate applicable to the subject property based on comparison to similar properties.

Per agreement with the client and the composition of the subject property (vacant land), only the Sales Comparison approach will be utilized.

SALES COMPARISON APPROACH TO VALUE: This is an appraisal technique in which the Market Value opinion is based upon prices paid in the actual market transactions and current listings. It is a process of correlation and analysis of similar, recently sold properties.

The reliability of this technique is dependent upon:

- a) The degree of comparability of each property with the property being appraised.
- b) The time of the sale.
- c) The verification of the sales data.
- d) The absence of unusual conditions affecting the sale.

Under the sales comparison approach, the appraiser attempts to find sales of similar type properties and then analyze the sales into units of measurement for comparison. The most common units for comparison are the Price per Acre.

The sales comparison approach is also predicated on the economic principle of substitution which maintains that no knowledgeable buyer would be willing to pay any more for any given property than it would cost for him to obtain an equally desirable substitute, assuming that there were no costly delays involved in making the substitution.

In the case of the subject, this appraiser was able to locate several sales in the general market area with limited but sufficient merit to be directly compared to subject. These sales were included to show the current actions of the market for overall values and alternative site/locations.

A general summary of sales is:

LAND SALE #1

Property Identification

Property Type	Residential (former School) site
Property Name	Ocean City School Tract
Address	Essex Rd. FWB, FL., 32547
Location	1- block south of Racetrack Rd.
Tax I.D.	01-2S-24-0000-0033-0000
Legal Desc.	M&B descrip. in S1-T2S-R24W, Okaloosa County, FL

Sale Data:

Grantor	Okaloosa County School Board
Grantee	Watree Construction & Land Development
Sale Date	07-30-2013
Deed Book/Page	3109/1415
Property Rights	Fee Simple
Condition of Sale	Buyer/seller connection
Financing	cash to seller
Sale History	None in 3 years
Verification	Public records, seller Bill Smith, confirmed by R.Bracewell

Sale Price	\$1,015,866
Cost of Demolition	\$ 200,000 (per the buyer)
Total Cost	\$1,215,866

Land Data:

Zoning	INST- Institutional
Topography	Level,
Utilities	All public
Shape	Basically rectangular
Flood Info	Zone X,

Land Size Information:

Gross Land Size	10.7± Acres or 466,092± SF
Usable Acreage	10.7± Acres uplands, wetlands area has been filled
Front Footage	523± FF on Essex Rd.

Indicators

Sale Price/ SF	\$2.18
Sale Price/Acre	\$94,941
Adj. Price/Acre	\$113,632

Remark: A former elementary school site situated one block off a major roadway. The site was purchased for conversion to a 40-lot single family S/D. All former school facilities were removed after the sale.

LOCATION MAP



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LAND COMPARABLE #2

Property Identification

Property Type	Residential Vacant site
Property Name	Proposed Subdivision
Address	Lincoln Dr., Okaloosa County, Fl.32548
Location	West of Beal Parkway behind Wal-Mart. Ocean City
Tax I.D.	03-2S-24-0000-0235-0000
Legal Desc.	M/B

Sale Data:

Grantor	Estate of Doris Jean Owen
Grantee	Walton Properties Inc.
Sale Date	06/15/2015
Deed Book/Page	3207 pg. 4625
Property Rights	Fee Simple
Condition of Sale	Buyer/seller connection
Financing	Cash to seller
Sale History	None over 3-years
Verification	P/R, MLS718059, confirmed by R. Bracewell

Sale Price	\$325,000
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Land Data:

Zoning	Residential
Topography	Level, typical
Utilities	All public
Shape	Basically rectangular
Flood Info	Zone X

Land Size Information:

Gross Land Size	2.22 Acres overall
Front Footage	300 FF on Lincoln

Indicators

Sale Price/Gross SF	\$3.35
Sale Price/Gross Acre	\$145,926
Sale Price/Per FF	\$1,083

Remarks: A rectangular shaped tract with frontage on a secondary roadway. The property is located in an older residential area and was purchased for a new single family S/D.

LOCATION MAP



LAND SALE #3

Property Identification

Property Type	Residential site
Property Name	Minger Tract
Address	Lake Silver Rd. Crestview, Fl., 32536
Location	1- block south of Racetrack Rd.
Tax I.D.	30-4N-23-0000-0010-0020
Legal Desc.	M&B descrip. in S30-T4N-R23W, Okaloosa County, FL

Sale Data:

Grantor	John W. Minger Jr.
Grantee	Esplanade Communities of Florida, LLC
Sale Date	11-28-2018
Deed Book/Page	3376/2404
Property Rights	Fee Simple
Condition of Sale	Buyer/seller connection
Financing	cash to seller
Sale History	None in 3 years
Verification	Public records, seller John Minger, confirmed by R. Bracewell

Sale Price	\$ 465,000
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Land Data:

Zoning	Residential
Topography	Rolling with slope
Utilities	All public except sewer
Shape	Basically rectangular
Flood Info	Zone X,

Land Size Information:

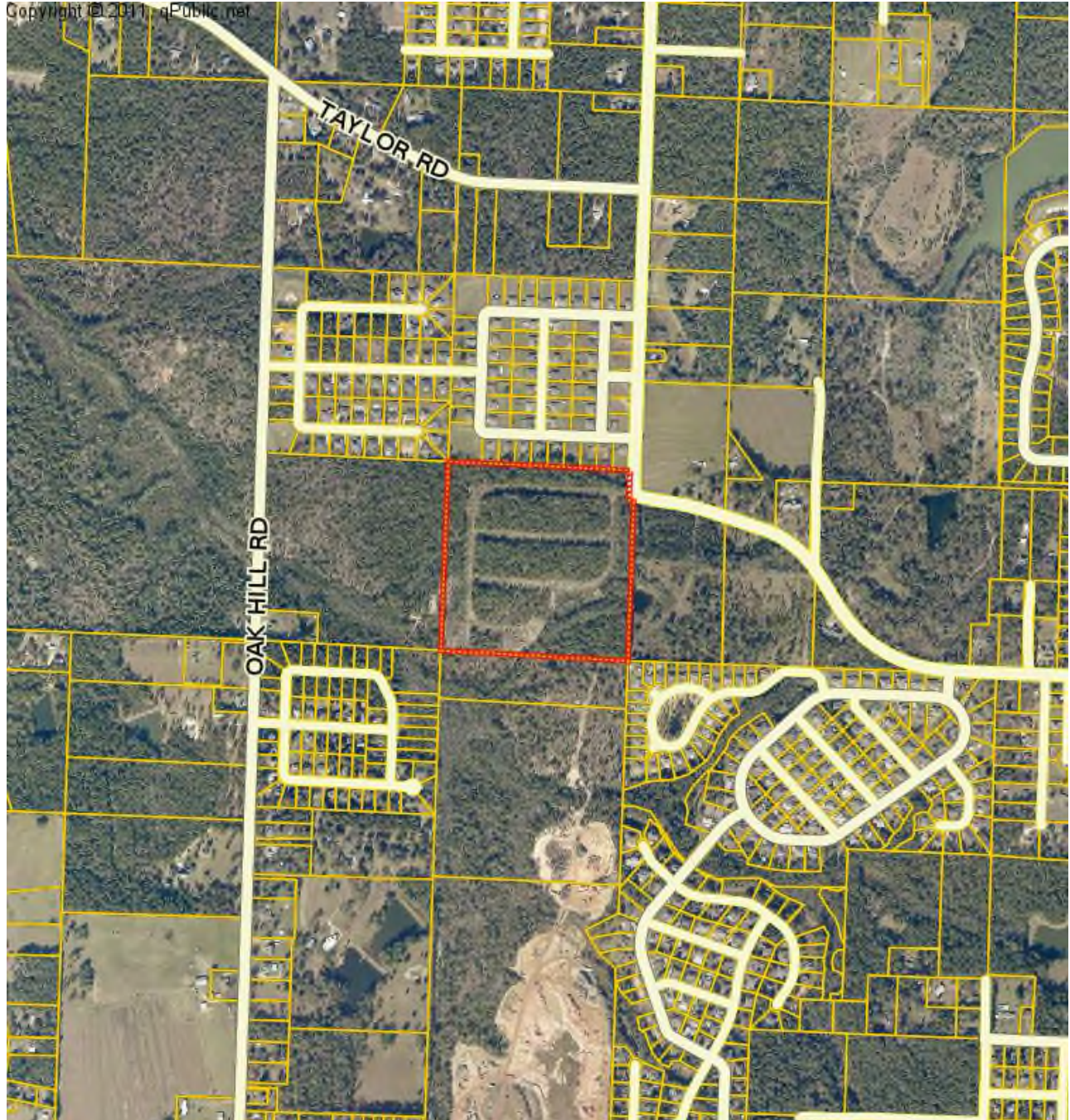
Gross Land Size	40± Acres
Usable Acreage	35± Acres estimated uplands

Indicators

Sale Price/Acre	\$ 11,625
Adj. Price/Acre	\$ 13,286

Remark: A naturally wooded tract with limited but adequate road frontage

LOCATION MAP



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LAND SALE #4

Property Identification

Property Type	Commercial site
Property Name	Hospital Tract
Address	Hospital Dr., Fl., 32547
Location	1- block south of Lewis Turner Blvd.
Tax I.D.	34-1S-24-0000-0021-0000
Legal Desc.	M&B descrip. in S34-T1S-R24W, Okaloosa County, FL

Sale Data:

Grantor	Morchad, LLC
Grantee	S & S Development of North West Florida, LLC
Sale Date	10-30-2018
Deed Book/Page	3373/4535
Property Rights	Fee Simple
Condition of Sale	Buyer/seller connection
Financing	cash to seller
Sale History	Reported sale in 2016 at \$250,000s
Verification	Public records, MLS 769653, confirmed by R. Bracewell

Sale Price	\$ 492,000
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Land Data:

Zoning	Commercial
Topography	Flat to small slope
Utilities	All public
Shape	Irregular but somewhat rectangular
Flood Info	Zone X,

Land Size Information:

Gross Land Size	1.80± Acres
Usable Acreage	1.80± Acres

Indicators

Sale Price/Acre	\$273,333
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Remark: A small acreage tract located within one block of the FWB hospital. This tract was improved but these improvements had no value. The property was being cleared at time of sale. This tract had access from both Hospital and Lewis Turner Blvd.

LOCATION MAP



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LAND SALE #5

Property Identification

Property Type	Mixed Use site
Property Name	Crosswinds Tract
Address	Lewis Turner Blvd., FWB, FL., 32547
Location	W/S of Lewis Turner Blvd.
Tax I.D.	34-1S-24-0000-0031-0020
Legal Desc.	M&B description in S34-T1S-R24W, Okaloosa County, FL

Sale Data:

Grantor	Hy-RD, LLC
Grantee	Crosswinds 1000, LLC
Sale Date	12-15-2016
Deed Book/Page	3280/139
Property Rights	Fee Simple
Condition of Sale	Buyer/seller connection
Financing	cash to seller
Sale History	Reported sale in 2016 at \$1,250,000 for additional land
Verification	Public records, MLS 755409, confirmed by R. Bracewell

Sale Price	\$ 600,000
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Land Data:

Zoning	M/U
Topography	Flat to small slope
Utilities	All public
Shape	Irregular
Flood Info	Zone X,

Land Size Information:

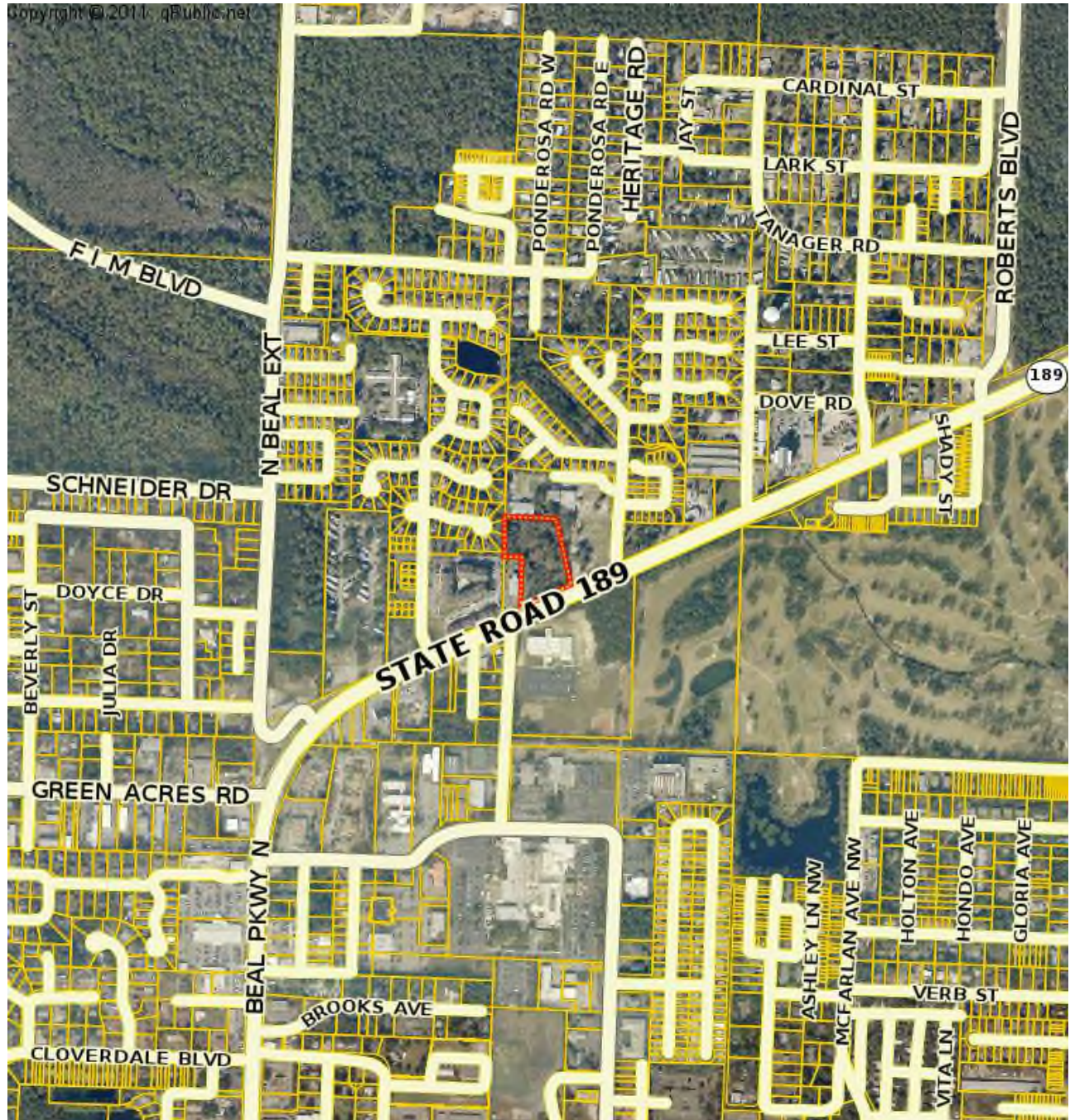
Gross Land Size	3.00± Acres
Usable Acreage	3.00± Acres

Indicators

Sale Price/Acre	\$200,000
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Remark: A small acreage tract located within near the FWB hospital. This tract was part of a larger tract with an old office building. This property was purchased by the adjoining landowner for further apartment development.

LOCATION MAP



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TABLE OF LAND SALES					
<u>Sale#</u>	<u>Location</u>	<u>Date</u>	<u>Price</u>	<u>Size</u>	<u>\$/SF</u>
1.	Essex Rd.	07/2013	\$1,215,866	10.7±Ac	\$113,632
	(Former government/school site in FWB)				
2.	Lincoln Dr.	06/2015	\$ 325,000	2.22±Ac	\$145,926
	(Residential S/D in FWB)				
3.	Lake Silver Rd	11/2018	\$465,000	40±Ac	\$ 11,625
	(Residential S/D in Crestview)				
4.	Hospital Dr.	10/2018	\$492,000	1.80±Ac	\$273,333
	(Commercial at hospital, FWB)				
5.	Lewis Turner	12/2016	\$600,000	3.00±Ac	\$200,000
	(Mixed use/apartments, in FWB)				
					Mean \$148,903
<u>Range of Sales Price per SF:</u> \$12,000 - \$273,000 (rounded)					Say \$150,000

The above sales adequately reflect current and past market values for small acreage tracts in the general areas, in and lying outside of Fort Walton Beach/Okaloosa County. Each sale is similar in one aspect or the other to the subject property. Market sales for vacant acreage have been limited in the general area.

It should be stated that vacant land is limited and two to four families in the Niceville/Valparaiso market area. These individuals tend to develop the land rather than sell in the open market. This is especially true relating to commercial land, which is rarely sold by one local family that controls the majority of all vacant commercial land. Many past new developments in the eastern Niceville market (Chick Fil A, Publix's, etc.) are also situated on leased land as opposed to an outright sale, which further complicates the valuation process.

It should also be stated that Large Vacant Acreage sales in the FWB market area is basically non-existent. This is a landlocked community with a limited amount of remaining vacant land and basically no large tracts.

This appraiser expanded the search to the surrounding areas with again very little to no help. An example of the expanded search is summarized by comparable sale #3 in the Crestview market.

Elements of Comparison: Following is a brief description of the elements of comparison used in valuing the subject site:

Property Rights: - The subject property is appraised under the extraordinary and hypothetical conditions of fee simple title and whereas all sales were of the fee simple interest, no adjustment is indicated for property rights.

Financing Terms: - As all sales were determined to be cash or equivalent no adjustment for financing was indicated.

Conditions of Sale: - All of the sales were arm's length transactions and as none were made under duress or other adverse conditions, no adjustment is indicated.

Market Conditions: Vacant land had a consistent/stable rate of appreciation until the bust period of the early 2000's. However, it appears the market has recovered for both residential and commercial property. The residential recovery has had a positive influence to the commercial market.

Comparable #1 is an older sale of a relatively large acreage tract for the FWB market. This property is located on a side street off a major secondary business district. This property is superior for size and location and inferior for date of sale.

Comparable #2 is also an older sale found in FWB. This property was purchased for and developed with a single family S/D by a local builder/developer. This property was considered inventory for the local builder as opposed to retail market sales.

Comparable #3 is the most recent large acreage sale located in the Crestview market of the same county. This property was purchased by a regional builder for a single family S/D. This tract had a D/O (91-lots) for over the past 10+ years. This tract was under contract for a much higher price (over \$10,000 p/ac) during the speculation period. This property sold for what the owner/realtor basically had in the property.

Comparable #4 is a relatively recent sale for a small acreage commercial tract located in Southern sector of FWB. This property adjoins a commercial property at the local hospital. This is a single phase development property with similar site composition and superior market appeal. This comparable is very similar in determining the "Retail" value of the subject property as a mixed use tract.

Comparable #5 is also an older sale of a mixed use property found in the northern sector of FWB in the hospital area. This tract was originally purchased for a commercial activity during the boom period. The property was finally purchased for an apartment complex by the adjoining landowner.

The market had and still has a very wide range between current asking prices and actual sale prices.

A general market grid for the subject property was considered but deemed non-appropriate at this time. The market lacks a sufficient number of sales from which to determine any kind of “paired sales analysis”.

The only major adjustment to be made to the comparable sales **“is for size”**. The subject property is a 79.99+ acre site as opposed to the majority of the other comparable sales being 11 acres or less in size. The comparable sales are considered somewhat “Retail” as opposed to subject being a “Wholesale” tract.

For purposes of analysis, an imputed adjustment of 50% and 75% will be applied to the overall value range of the comparable sales. A size adjustment must be considered within the context of this analysis. It is possible to sell a single phase tract at values similar to the comparable sales.

However consideration must be given to developer profit and holding cost including operating expenses, time value of money, etc., in the valuation process.

The comparables sales have a value range of \$12,000 to \$275,000 p/acre (rounded). The South county sales have a value range of \$115,000 to \$275,000 p/ac. A 50% and 75% downward adjustment for size to the South county sales indicates an adjusted range as follows:

Valuation Summary:

High Range:

Present Value	Size Adj.	=	Adj. Value
\$115,000 p/ac. X	50%	=	\$ 57,500

\$275,000 p/ac. X	50%	=	\$137,500
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Low Range:

Present Value	Size Adj.	=	Adj. Value
\$115,000 p/ac. X	25%	=	\$ 28,750

\$275,000 p/ac. X	25%	=	\$ 68,750
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The subject property has an area of 79.99+acres. Based on the extraordinary and hypothetical conditions assumptions within this report, a value of \$60,000 p/acre is estimated as the “wholesale” vacant land value of the subject property.

Land Value Opinion:

79.99+-ac @ \$60,000 p/acre =	\$4,800,000
Say	\$5,000,000

Indicated Value by Sales	
Comparison Approach	Say \$5,000,000

COST APPROACH TO VALUE

This is a method in which the value of a property is derived by estimating the replacement cost of the improvements and deducting there from the estimated depreciation, and then adding the market value of the land. This approach is based upon the assumption that the replacement new, normally sets the upper limit of building value providing that the improvement represents the highest and best use of the land.

As stated earlier, per an agreement with the client, this approach will not be utilized within this report, as no true value would be indicated.

**Indicated Value Based On
Income Approach**

N/A

INCOME CAPITALIZATION APPROACH TO VALUE

The income approach to estimating value is based on the principle that the value of an income-producing property has a direct relation to the return which the property will produce for an investor. Stated differently, value is the present worth of future benefits in the form of income.

Arriving at an indication of value using this technique required the following steps:

- (1) Estimation of potential gross annual income from current rental rates in the marketplace,
- (2) Estimation of the net operating income by deducting vacancy and collection losses and operating expenses from the gross income projection,
- (3) Capitalization of this net income into an indication of market value.

Per an agreement with the client, this approach will not be utilized within this report, as no true value would be indicated.

**Indicated Value Based On
Income Approach**

N/A

RECONCILIATION TO FINAL VALUE CONCLUSION

The subject property is a 79.99+-acre, tract of land situated on Poquito Rd & Sunset Lane in Shalimar, FL. The site is situated in midway between Valparaiso and Fort Walton Beach, adjoining Eglin Air Force Base. The subject was analyzed by one of the three approaches in order to aid this appraiser in reaching a final value conclusion for the subject property. The approach used, yielded the following results:

Cost Approach:	N/A
Sales Comparison Approach (Market):	\$5,000,000
Income Approach:	N/A

The cost approach to value is applicable only when appraising improved properties. The subject property is vacant land therefore this approach was excluded.

The sales comparison, or market approach, represents the current market activity between buyers and sellers of similar properties in the local market. The market produced several sales from which to form a meaningful indication of value.

The only major adjustment to be made to the comparable sales **was for size**. The subject property is basically an 80+ acre site as opposed to the other comparables being 11 acres or less in size. The comparable sales are considered “Retail” as opposed to subject being a “Wholesale” tract.

The comparables sales had a retail value range of \$115,000 to \$275,000 p/acre (rounded). A 50% and 75% downward adjustment for size (wholesale) indicated an adjusted value range of \$44,500 to \$137,500 p/acre.

The subject property has an area of 79.99+acres. Based on the extraordinary and hypothetical conditions assumptions within this report, a value of \$60,000 p/acre was estimated as the wholesale vacant land value of the subject property.

The purpose of this appraisal is to provide an opinion of the current market value of the subject property. The market analysis used current and past sales in order to form this opinion. This approach is felt to be an excellent indication of value.

The appraisal assignment calls for an opinion of market value for the subject property. Based on the approach used, my opinion of the market value, subject to the extraordinary and hypothetical conditions stated within this report is:

Final Value Opinion

FIVE MILLION DOLLARS

\$5,000,000

The motivations of buyers and sellers will forever create a range to value. The ability and/or competitive position of each party to a transaction are a factor which cannot be quantified during the appraisal. Therefore, I estimate a value range of 10% plus or minus within a reasonable marketing period of over 6 months.

ESTIMATED MARKETING TIME: The estimated marketing time (i.e., the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be over 6 months.

ASSUMPTIONS AND LIMITING CONDITIONS

This APPRAISAL REPORT is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. The appraiser is not responsible for unauthorized use of this report.

The legal description or descriptions used herein are assumed to be correct.

No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.

Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.

All existing mortgages, liens, encumbrances, and servitudes have been disregarded unless so specified in this report. Any mortgages, liens, encumbrances, leases, and servitudes coming to the knowledge of the appraiser in his research are mentioned in this report if they affect value. No substandard rate mortgage or bond is anticipated in this appraisal unless specifically discussed.

The property is appraised as though under responsible, prudent, and competent management unless so specified in the report.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.

It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.

It is assumed that the land and improvements are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted with the report.

The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.

The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relation, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

The acceptance of this report and its use by the client in any manner whatsoever or for any purpose is acknowledgment by him that this report is a satisfactory professional product, and that he has personally read the report, and specifically agrees that the data herein is accurate to the best of the appraiser's ability.

The report remains the personal property of the signer and may not be transmitted to a third party without the signer's written permission.

Teel and Waters Real Estate Company, Inc. or the Appraiser's personal responsibility does not extend to a third party under any circumstances whatsoever.

As a part of the Appraiser-Client employment agreement, the client agrees to notify the appraiser of any error, omission, or invalid data herein within 15 days of receipt and return the report along with all copies to the appraiser for correction prior to any use whatsoever.

Under No Circumstances shall the Company's or Appraisers' liability exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of valuation.

Thus, by acceptance of this report you acknowledge that a value opinion is the product of a professionally trained mind but nevertheless is an opinion only, and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts.

Thus, the Company and the appraiser warrant only that the value conclusion is his best opinion as of the exact day of valuation.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct. Further, the reported analyses, opinions, and conclusions are limited only by the reported Assumptions and Limiting Conditions of this report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
2. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved. Further, I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
3. My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
4. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
5. My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
6. I have made a personal inspection of the property that is the subject of this report.
7. No one provided significant real property appraisal assistance to the person signing this certification.
8. PRIOR ASSIGNMENT DISCLOSURE: This appraiser has not had any prior association and/or work history with this property over the past three years.



SEAL

Randy G. Bracewell, GRI
State Certified General Real Estate
Appraiser #RZ589

ADDENDUM



Date: April 11, 2019

To: Randy Bracewell, President
Bracewell Appraisal & Consulting, Inc.
6132 Hacienda Lane
Crestview, FL 32536

Subject: Request for Appraisal

This confirms our telephone conversation requesting you conduct an appraisal of the 80-acre tract of land in Shalimar. We will provide the survey for you to conduct the narrative form appraisal and will be available to answer any questions regarding the property.

Pending any unforeseen issues, the price for the appraisal will be \$1,200 and we will pay you upon completion of the appraisal unless other arrangements are required.

Please let me know if you have any questions or concerns.

Sincerely,

Brooke P. McLean, CMSgt, USAF, Ret.
President and CEO



92 Sunset Lane • Shalimar, FL 32579-1000
(850) 651-3766 • FAX (850) 651-4461 • www.afev.us





Ben Anderson Okaloosa County Tax Collector

2018 Roll Details — Real Estate Account At ., SHALIMAR 32579

Real Estate Account #241S23000000010000

[Parcel details](#)

[Latest bill](#)

[Full bill history](#)

[Print this page](#)

2018

2017

2016

2015

...

1998

NO
TAXES
DUE

NO
TAXES
DUE

NO
TAXES
DUE

NO
TAXES
DUE

NO
TAXES
DUE

[Get Bills by Email](#)

No taxes due

Owner: U S GOVT
00000-0000

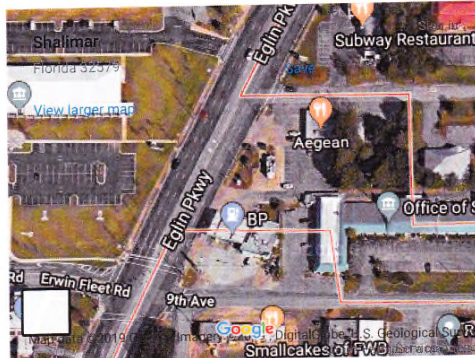
Situs: .
SHALIMAR 32579

Account number: 241S23000000010000
Alternate Key: 1087172
Millage code: 10 - COUNTY
Millage rate: 10.5246

Assessed value: 259,387,620
School assessed value: 259,387,620
Unimproved land value: 7,365,616

Exemptions

FEDERAL EXEMPTION: 259,387,620



Location is not guaranteed to be accurate.

Property Appraiser

2018 Annual bill

Ad valorem: \$0.00
Non-ad valorem: \$0.00
Total Discountable: 0.00
No Discount NAVA: 0.00
Total tax: \$0.00

Location

Book, page, item: 0000-0000-
Range: 23

[View](#)

Legal description

ALL SECTIONS 24 TO 29 INC

https://okaloosa.county-taxes.com/public/real_estate/parcels/241S23000000010000

4/18/2019



Ben Anderson Okaloosa County Tax Collector

Bill History — Real Estate Account At ., SHALIMAR 32579

Real Estate Account #241S23000000010000

Parcel details

Latest bill

Full bill history

Print this page

Get Bills by Email

There are no unpaid bills.

Amounts as of 04/18/2019

Bill	Balance	Status	Action
2018 Annual Bill	\$0.00		Print (PDF)
2017 Annual Bill	\$0.00		Print (PDF)
2016 Annual Bill	\$0.00		Print (PDF)
2015 Annual Bill	\$0.00		Print (PDF)
2014 Annual Bill	\$0.00		Print (PDF)
2013 Annual Bill	\$0.00		Print (PDF)
2012 Annual Bill	\$0.00		Print (PDF)
2011 Annual Bill	\$0.00		Print (PDF)
2010 Annual Bill	\$0.00		Print (PDF)
2009 Annual Bill	\$0.00		Print (PDF)
2008 Annual Bill	\$0.00		Print (PDF)
2007 Annual Bill	\$0.00		Print (PDF)
2006 Annual Bill	\$0.00		Print (PDF)
2005 Annual Bill	\$0.00		Print (PDF)
2004 Annual Bill	\$0.00		Print (PDF)
2003 Annual Bill	\$0.00		Print (PDF)
2002 Annual Bill	\$0.00		Print (PDF)
2001 Annual Bill	\$0.00		Print (PDF)
2000 Annual Bill	\$0.00		Print (PDF)
1999 Annual Bill	\$0.00		Print (PDF)
1998 Annual Bill	\$0.00		Print (PDF)
Total Balance	\$0.00	There are no unpaid bills.	



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https://okaloosa.county-taxes.com/public/real_estate/parcels/241S23000000010000/bills

4/18/2019

(2) NO EQUALIZATION.—If the fair market value of the property interests described in subsection (a)(2) is greater than the fair market value of the property interests described in subsection (a)(1), the Secretary shall not make a cash equalization payment to equalize the values.

(d) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the other party in this land exchange to cover costs to be incurred by the Secretary, or to reimburse the Secretary for such costs incurred, to carry out the land exchange under this section, including survey costs, costs for environmental documentation, other administrative costs related to the land exchange, and all costs associated with relocation of activities and facilities, including equipment, to the replacement location. If amounts collected are in advance of the Secretary incurring actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the land exchange, the Secretary shall refund the excess amount.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received shall be credited to the fund or account that was used to cover those costs incurred by the Secretary in carrying out the land exchange. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be exchanged under this section shall be determined by surveys satisfactory to the Secretary of the Navy.

(f) CONVEYANCE AGREEMENT.—The exchange of real property interests under this section shall be accomplished using an appropriate legal instrument and upon terms and conditions mutually satisfactory to both parties of the exchange, including such additional terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2846. LAND CONVEYANCE, EGLIN AIR FORCE BASE, FLORIDA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey to the Air Force Enlisted Village, a nonprofit corporation (in this section referred to as the "Village"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 80 acres located adjacent to Eglin Air Force Base, Florida, for the purpose of independent-living and assisted-living apartments for veterans. The conveyance under this subsection is subject to valid existing rights.

(b) CONSIDERATION REQUIRED.—As consideration for the conveyance under subsection (a), the Village shall provide an amount that is equivalent to the fair market value to the Department of the Air Force of the right, title, and interest conveyed under such subsection, based on an appraisal approved by the Secretary of the Air Force. The consideration under this paragraph may be provided by cash payment, in-kind consideration, or a combination thereof, at such time as the Secretary may require.

(c) PAYMENT OF COSTS OF CONVEYANCE.—

QUALIFICATIONS OF THE APPRAISER - RANDY G. BRACEWELL

FLORIDA STATE CERTIFIED GENERAL APPRAISER

(Formerly Certified Real Estate Appraiser)

License # RZ589

EDUCATIONAL BACKGROUND

B.S. Degree in Finance & Real Estate

FLORIDA STATE UNIVERSITY 1980

SOCIETY OF REAL ESTATE APPRAISER COURSES

Introduction to Appraising Real Property-Course 101 FLORIDA STATE UNIVERSITY 1978

Principles of Income Property Appraising-Course 201 FLORIDA STATE UNIVERSITY 1979

Seminar on Subdivision Discounting and Condominiums 1981

Applied Residential Property Valuation Course 102 UNIVERSITY OF FLORIDA 1982

Income Analysis Course 202 UNIVERSITY OF FLORIDA 1984

EXPERIENCE

Registered Real Estate Salesman in Okaloosa Co. Since 1980

Appraiser with Billy D. Teel, MAI/Teel & Waters Real Estate Co., Inc.
from March, 1980, until present with emphasis on multifamily and
commercial properties.

Registered Real Estate Broker 1983

State Certified General Appraiser 1990

(Formerly Titled "Certified Real Estate Appraiser")

MEMBERSHIPS

Past Vice President - Crestview Area Board of Realtors

Member - Florida Association of Realtors

Member - National Association of Realtors

Member - Crestview Chamber of Commerce

Past Chairman - Crestview City Planning & Zoning Board

Director - Greater Crestview Economic Development, Inc.

Appraisal Institute associate Member (2009 to 2014)

REAL ESTATE COURSES

GRI Course 1 FLORIDA ASSOCIATION OF REALTORS 1981

GRI Course 2 FLORIDA ASSOCIATION OF REALTORS 1982

GRI Course 3 Graduate 1983

TEEL & WATERS REAL ESTATE CO., INC. - APPRAISAL DIVISION

FORT WALTON – AC - 850-243-5511 · 499 N. FERDON BLVD. - CRESTVIEW, FL 32536 - AC – 850-682-6156

QUALIFICATIONS OF RANDY G. BRACEWELL

Page Two

SPECIALIZED EDUCATION FOR RANDY G. BRACEWELL

May 1980	Discounted Cash Flow for subdivisions and condominium, Society of Real Estate Appraisers, Dr. Richard Hewitt.
May 1981	Farm, Forest, and Animal Land Appraisal Seminar, University of West Florida and Farm and Land Institute.
08/09/84	Basic Use of Marshall Valuation Service.
08/10/84	Introduction to Hotel/Motel Valuation
1985	Contemporary Issues & Methods of Appraising Commercial Properties by Jim Grasskamp, PhD of the University of Wisconsin
1986	Tax Considerations in Real Estate Transactions
1986	Appraising for Pension Fund Portfolios, Charles B. Akerson and Carl Schultz
1987	Explanation of R-41c of the FHLBB by Douglas Lovell, MAI, Chief District Appraiser for the Southeast.
1987	Standards of Professional Practice
2/14/88	Real Estate Appraisal Principles Course # (1A/8-1), Gainesville, Florida
8/25/92	Appraiser Continuing Education Environmental Hazards for Appraisers Ft. Walton Beach, FL
9/27/92	Appraiser Continuing Education, Appraiser Law/Uniform Standards Ft. Walton Beach, FL
1993	Practical Approaches to Appraising Troubled Properties Stephen M. Atwell, MAI
01/28/94	Appraiser Continuing Education, Appraiser Law/Uniform Standards Ft. Walton Beach, FL
01/29/94	Appraisal Continuing Education, Modern Applicable Techniques Ft. Walton Beach, FL
06/21/96	30 Hour Appraisal Continuing Education Course, Real Estate Education Specialists, Ft. Walton Beach, FL
10/25/96	1996 Real Estate Trends Networking Conference, Florida State University Tallahassee, FL
11/22/96	Dynamics of Office Building Valuation, Appraisal Institute Lake Worth, FL
10/03/97	USPAP "Core" Law for Appraisers, Appraisal Institute Panama City, FL
02/98	30 Hour Appraisal Continuing Education Course, Real Estate Education Specialist, Tallahassee, FL
08/06/99	Professional Standards USPAP Update, Tallahassee, FL
03/07/01	Core Law, 3 hours
04/20/01	State of the Profession Seminar, 3 hours

QUALIFICATIONS OF RANDY G. BRACEWELL

Page Three

06/28/01 Conservation Easements, 16 hours
03/27/2004 Appraiser Continuing Education, Destin, FL
Ketchem Educator's Providers, LLC
USPAP/LAW UPDATE 7 Hours of Credit
03/27/2004 Appraiser Continuing Education, Destin, FL
Ketchem Educator's Providers, LLC
Florida State Law Update, 3 Hours of Credit
10/21/2004 Appraising the Secondary Market: Getting Along with Fannie & Freddie
McKissock, Ft Walton Beach, FL
10/21/2004 Limited Appraisals and the Scope of Work Decision
McKissock, Ft Walton Beach, FL
04/06/2006 National USPAP Update (7 hours)
McKissock, Pensacola, FL
04/06/2006 Florida Laws & Regulations (4 hours)
McKissock, Pensacola, FL
04/07/2006 Appraisal Trends (8 hours)
McKissock, Pensacola, FL
04/07/2006 Disclosure & Disclaimers (4 hours)
McKissock, Pensacola, FL
04/11/2008 Florida Laws and Regulations (3 hours)
McKissock, Pensacola, FL
04/11/2008 National USPAP Update Equivalent (7 hours)
McKissock, Pensacola, FL
07/22/2008 Appraising REO and Foreclosure Properties (8 hours),
McKissock, Destin, FL
07/22/2008 Florida Appraisal Supervisor-Trainee Roles and Relationships (4 hours), McKissock, Destin, FL
02/25/2010 National USPAP Update Equivalent (7 hours) for Appraisers, Appraisal Institute, Tallahassee, FL
02/26/2010 Florida Laws and Regulations (3 hours) & Florida Appraisal Supervisor-Trainee Roles and
Relationships (3 hours), Appraisal Institute, Tallahassee, FL
04/20/2010 Risky Business (8 hours), McKissock, Pensacola, FL
08/27/2010 Business Practice & Ethic (7 hrs.), Appraisal Institute, Birmingham, AL
09/09/2010 Analyzing the Effects of Environmental Contamination on Real Property (7hrs.),
Pensacola, FL
05/13/2011 Lending World in Crisis, Appraisal Institute, Destin, FL
03/08/2012 National USPAP Update Equivalent (7 hours) for Appraisers, Appraisal Institute, Tallahassee, FL
03/09/2012 Florida Laws and Regulations (3 hrs.), Appraisal Institute, Tallahassee, FL
02/06/2014 30-hours update per McKissock Pensacola & Tallahassee, FL
04/08/2016 22-hours USPAP Update & other, Steve Williamson, Fort Walton Beach, FL
10/07/2016 10 hours update per McKissock, Gulf Breeze, FL
05/18/2018 23-hours USPAP Update & other, Steve Williamson, Fort Walton Beach, FL
06/22/2018 7-hours Compliance, Completeness & Competency, Appraisal Institute, Orange
Beach, AL



RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



**STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

BRACEWELL, RANDY G

499 N FERDON BLVD
CRESTVIEW FL 32536

LICENSE NUMBER: RZ589

EXPIRATION DATE: NOVEMBER 30, 2020

Always verify licenses online at MyFloridaLicense.com



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